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Cully Judd

Member, Board of Directors, Hawaii Solar Energy Association

Solar in Hawaii

Good afternoon. My name is Cully Judd and I represent the Hawaii Solar Energy Association, or HSEA. Founded in 1978, the HSEA is a professional trade association composed of twenty-five solar and plumbing contractors, wholesale distributors, manufacturers, and electric utilities.

It is my privilege today to comment on what I consider one of Hawaii's most successful public-private sector partnerships. I refer to the synergy between the legislative and administrative branches of our government, and our renewable energy service providers, the ranks of which now include our electric utilities, in achieving Hawaii's clearly stated energy policy objectives relative to the development and commercialization of solar and other renewable energy technologies.

Since 1976, the year our legislature enacted Hawaii's energy conservation income tax credits (ECITC), our lawmakers have consistently supported a leveled playing field that allows renewable energy technologies to have a fair chance of success against heavily subsidized, polluting, and until very recently, dirt cheap fossil fuels. The State's buy down of clean, but higher initial cost energy technologies, has led to the installation of over 70,000 solar water heating systems and thousands of solar electric power systems in Hawaii. There are now more residential solar water heaters per capita in Hawaii than any other state in the nation.

Hawaii's progress in commercializing renewable energy technologies has been based, for the most part, on consistent and predictable state energy policy. The cornerstone of this policy, and the fulcrum that leverages private sector investment in renewables, is the ECITC. Hawaii has a strong and growing renewable energy industry and infrastructure for two simple reasons: We have a state legislature historically committed to clean energy development and to the reduction of Hawaii's dependence upon imported oil and coal to generate electricity, and we have an energy conservation income tax credit.

Under guidelines established during a protracted Integrated Resource Planning Process, and at the behest of our Public Utilities Commission, Hawaii's largest electric utility companies have begun providing additional financial incentives for the installation of solar water heating systems. Hawaiian Electric, Maui Electric and Hawaii Electric Light Co. now sponsor the largest and most successful utility solar water heating programs in the country. The energy savings and demand reduction benefits from these solar systems help to defer the construction of costly new generation capacity for years. The cost-effectiveness of these programs and their long-term viability is directly linked to the continuation of the ECITC. Our utilities need a high level of customer participation and satisfaction for their demand-side management programs to remain cost effective. The ECITC is the mechanism that continues to ensure both of these core requirements.

The State of Hawaii ECITC remains the glue that holds all these pieces, coalitions, industries and partnerships together. The HSEA is supportive of innovative solutions to our energy problems in Hawaii, but it is our fundamental belief that nothing has been or will be as successful, simple, cost effective or widely accepted by businesses and consumers alike as the ECITC.